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LOSS ADJUSTMENT MANUAL FOR MULTIPLE CROPS
FOR 1951 AND SUCCEEDING CROP YEARS

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INTRODUCTION

The adjuster should familiarize himself with the insurance contract (the application, policy, and rider(s)) and the general provisions of the program as well as with his responsibilities, those of the state director, district supervisor, and county committee in order that he may ably represent the Corporation in his field contacts. In addition he must know the principles of loss adjustment contained in the Adjuster's Handbook issued in August, 1949. Detailed instructions relative to Form FCI-8 Revised, "Notice of Material Damage or Loss" (herein called "Form 8") are contained in General Procedure 8 - Revised.

The instructions contained in this Manual are generally applicable to all crops. Special instructions relative to beans, canning peas, corn, hay, peanuts, potatoes, strawberries, sugar beets, sugarcane, sweet corn, tobacco, tomatoes, and seed crops are contained in Section III.

SECTION I. BASIC INFORMATION

Subsection A. General

1. Insurance Unit

It is essential that the adjuster clearly understands what constitutes an insurance unit because he must determine at the time of each inspection what land constitutes the insurance unit. Losses are adjusted on an insurance unit basis. The adjuster must determine whether an election to combine all of his operations into a combination unit has been made by the insured and is in effect. If this election has been made the insured has only one insurance unit. If the insured has not elected to have a combination unit, he has an insurance unit for each of the following described situations:

- a. For an owner-operator all insurable acreage in the county in which he has 100 percent interest at the time of planting plus any acreage owned by him and worked for him by sharecroppers at the time of planting is one insurance unit.
- b. For a landlord all insurable acreage in the county which is owned by him and rented to one share tenant at the time of planting is one insurance unit.
- c. For a tenant all insurable acreage in the county which is owned by one person and operated by the insured as a share tenant at the time of planting is one insurance unit. "Operated by the tenant" includes operations with his own labor, wage hands or sharecroppers, or any combination.
- d. For a sharecropper all insurable acreage in the county which is owned by one person and worked by the sharecropper at the time of planting is one insurance unit.

In case of land rented for cash or for a fixed commodity payment the lessee is considered the owner. In some cases an insured may have one or more insurance units as a landlord or owner-operator and in addition he may work additional land as a tenant or as a sharecropper.

Note: See Rider to Policy for definition of "time of planting" for sugar beets and crops other than annual crops.

2. Acreage Not Covered by Insurance

- a. Insurance does not attach with respect to (1) any acreage planted to an insured crop which is destroyed or substantially destroyed and on which it is practical to replant to the same insured crop, and such acreage is not replanted to such crop, (2) any acreage initially planted to an insured crop too late to expect a normal crop to be produced, or (3) any acreage planted for harvest in a crop year for which cancellation of the contract becomes effective.
- b. Likewise an acreage is not insured if (1) it is unclassified or (2) the crop grown on such acreage did not have a coverage established for it on the county actuarial table (including maps and related forms) on the closing date for filing applications or (3) if special farming practices are established and the farming practice(s) followed on such acreage is not one for which a coverage was established.
- c. The contract does not provide insurance for mixtures of two or more of the insurable crops unless such mixtures are specified in the rider to the insured's policy as being insurable.
- d. (See rider for any irrigated acreage and special provisions for perennial crops.)

3. Causes of Damage Not Insured Against

The contract does not cover loss due to avoidable causes including: (a) Failure to follow recognized good farming practices; (b) poor farming practices including but not limited to the use of defective or unadapted seed, failure to plant a sufficient quantity of seed, failure properly to prepare the land for planting or properly to plant, care for or harvest and thresh, the insured crop(s) (including unreasonable delay thereof); (c) overpasturage; (d) following different fertilizer or farming practices than those considered in establishing the coverage; (e) planting an insurable crop on land which is generally not considered capable of producing a crop comparable to that produced on the land considered in establishing the coverage; (f) planting a variety of seed which differs materially in yield from the variety considered in establishing the coverage; (g) planting excessive acreage under abnormal conditions; (h) planting an uninsured crop with an insured crop or in the growing insured crop; (i) planting an insured crop under conditions of immediate hazard; (j) inability to obtain labor, seed, fertilizer, machinery, repairs, or insect poison; (k) breakdown of machinery, or failure of equipment due to mechanical defects; (l) neglect or malfeasance of the insured or any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand; (m) domestic animals or poultry; (n) action of any person, or state or county or municipal government in the use of chemicals for the control of weeds; (o) theft, or (p) failure to meet irrigation specifications listed in rider.

4. Transfer of Interest

Where the adjuster finds that there has been a transfer of interest after the beginning of planting but before the beginning of harvest or the time of

loss, whichever occurs first, he shall determine whether Form FCI-21-Revised, "Transfer of Interest" (herein called Form 21) has been filed with the county office. The Corporation will accept Form 21 in the case of any valid transfer, if the Form 21 is filed within 15 days after the date of the transfer. However, if more than 15 days has elapsed since the date of the transfer and the adjuster finds that Form 21 has not been filed, he shall inform the transferee that if he desires insurance on the interest transferred he may file Form 21 with the county office or with the adjuster provided that (1) the premium was paid prior to the date of the transfer, (2) there is a satisfactory co-signer to the premium note, or (3) it is during the growing season and none of the insured crops involved in the transfer has been damaged since the date of the transfer.

A transfer of interest will not be recognized for any crop on which harvest was begun before the transfer occurred.

In any case where the transferee has not filed a Form 21 with the county office and does not file one with the adjuster at the time the inspection is made, the adjuster shall prepare a Form FCI-6, "Statement of Facts" (herein called "Form 6") containing all the data required to execute a Form 21.

When adjusting a loss in a case where the transfer involves only a portion of the acreage on the insurance unit the adjuster should obtain all basic information on the transferred acreage whether or not an acceptable Form 21 has been executed. This is necessary in order for the Corporation to compute any indemnity which may be due the transferor on the acreage not transferred.

Subsection B. Inspections

1. Preliminary Steps Before Inspection

The adjuster shall visit the county office and familiarize himself with all material in the insured's file including current correspondence and any Form FCI-663-M, "Inspection Report for Multiple Crops" (herein called "Form 63") previously prepared, and shall obtain records and other data which will be helpful to him in making the inspection. This provision may be waived if such information is otherwise available to the adjuster, or is not needed by him in making an early inspection. Instructions for preparation of the Inspection Report are contained on the inside of the front cover of the pad of Forms 63.

2. Waiver of Inspection

An inspection need not be made during the growing season if the Form 8 does not include a request for release of acreage and if the state director or the person designated by him determines that an inspection is not necessary. In such cases a letter shall be sent to the insured/setting forth the following:

by the state director

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. That any later material damage to the crop(s) or loss should be reported promptly; and
- d. That evidence of planting should not be destroyed or other use made of the acreage before an inspection is made by a Corporation representative.

In order that the letter will contain the required information, it should be prepared by the state director and a supply mimeographed. If the district supervisor(s) or adjuster(s) are authorized by the state director to waive inspections, the mimeographed letter shall be used by them to notify insureds.

This letter should be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director, and a copy filed in the insured's county office folder.

No further action on the part of the adjuster is necessary on the case unless another Form 8 is received, or the state director or the person designated by him determines that an inspection is necessary. Then an inspection should be made promptly.

3. Inspection Prior to the Time the Acreage Report is Filed

- a. If, in connection with fall planted crops, an inspection is made prior to the time the insured could be expected to have filed an acreage report (because the planting of spring crops has not started or is not far enough advanced) any necessary release of damaged acreage shall be made but no attempt shall be made to obtain either a partial or total acreage report. However, if at the time of the inspection, planting of spring crops generally is reasonably complete the adjuster should prepare the acreage report in the regular manner.
- b. If an acreage report has not been submitted and the inspection is made prior to the discount date, or within 30 days after completion of planting the last insured crop, whichever is later, the adjuster should prepare the acreage report and inspection report in the regular manner.
- c. If an acreage report has not been submitted and the inspection is made after the discount date and more than 30 days after the completion of planting the last insured crop, the adjuster shall prepare a Form 63 for each insurance unit (or part thereof where parts of a unit are in different areas or where an FCI-21 has been executed) in which the insured had an interest at the time the insurance attached. The Form(s) 63 shall be prepared in the regular manner except that no acreage shall be released. This will mean that no entry is to be made in column D of Form 63 in such cases. The adjuster shall set forth in detail in the space for "Remarks" on Forms 63 or on Form 6 (1) the reason given by

the insured why the acreage report had not been filed within the 30-day period, (2) the estimated total acreage of each insured crop on the unit (or part thereof) and the insured's interest therein, (3) the acreage damaged and the extent of damage, (4) the condition of the crop and any appraisal of production, and (5) all other pertinent facts including information as to previous efforts made to secure the acreage report. The case shall be referred immediately to the state director.

4. Inspection After the Acreage Report is Filed

- a. If an acreage report has been submitted and an acreage of an insured crop is released and is to be planted to a substitute insured crop, the adjuster should prepare the inspection report in the regular manner and obtain a "supplemental" acreage report in accordance with the County Acreage Report Procedure, if the substitute insured crop is planted in time to expect a normal crop to be produced.
- b. If an acreage report has been submitted previously by the insured but no part of the unit on which the damage has occurred is listed on the acreage report, a Form 63 shall be prepared for the unit in the regular manner except that no acreage shall be released. The adjuster shall set forth in detail in the space for Remarks on Form 63 or on Form 6, (1) the insured's reason why the unit was not reported on the acreage report, (2) the estimated total acreage of the insured crop on the unit and the insured's interest therein, (3) the acreage damaged and the extent of damage, (4) the condition of the crop and an appraisal of any production, and (5) all other pertinent facts including full information concerning any other unit for which no data are listed on the acreage report. The case shall be referred immediately to the state director.
- c. In all other cases the inspection report shall be prepared in the regular manner.

Subsection C. Stages of Coverage and Methods of Determining Production to be Counted

The use made of the insured acreage establishes the coverage per acre applicable to any acreage. It also establishes the amount of production to be counted in determining whether there is a loss.

The stages of coverage and methods to be used in determining the production to be counted are set forth below. In making the necessary computations round after each computation to the unit specified on the actuarial table for the crop.

1. All crops except cotton and sugar beets

First stage - acreage released and planted to a substitute crop - 50% of the coverage

The production to be counted for this acreage for this stage shall be determined as follows: (a) multiply each acreage released and seeded to a substitute crop by the appraisal per acre and total the results, (b) multiply the total acreage released and seeded to a substitute crop by the coverage per acre for this stage, (c) divide the result in (b) by the predetermined price, (d) if the production obtained under (a) exceeds the result obtained under (c), the excess is the production to be counted.

Second Stage Acreage Not Planted to a Substitute Crop - 100% of Coverage

The production to be counted for this acreage is harvested production of the crop and any appraised production.

2. Cotton

First Stage Acreage Released and Planted to a Substitute Crop - 40% of Coverage

The production to be counted for acreage in this stage shall be determined as follows: (a) Multiply each acreage released and seeded to a substitute crop by the appraisal per acre and total the results, (b) multiply the total acreage released and seeded to a substitute crop by the difference between the coverage per acre in this stage and the coverage per acre for the harvested stage, (c) divide the product in (b) by the predetermined price, (d) if item (a) exceeds item (c), the excess is the production to be counted.

Second Stage - Acreage Released which is not Harvested and not Planted to a Substitute Crop - 75% of Coverage

The production to be counted for acreage in this stage shall be determined as follows: (a) multiply each acreage released and not seeded to a substitute crop by the appraisal per acre and total the results, (b) multiply the total acreage released and seeded to a substitute crop by the difference between the coverage per acre in this stage and the coverage per acre for the harvested stage, (c) divide the product in (b) by the predetermined price, (d) if item (a) exceeds item (c), the excess is the production to be counted.

Third Stage Acreage Harvested - 100% of Coverage

The production to be counted for this acreage is harvested production of cotton and any appraised production.

3. Sugar Beets

First Stage - Acreage Released and Planted to a Substitute Crop 40% of the Coverage

The production to be counted for acreage in this stage shall be determined as follows: (a) Multiply each acreage released and seeded to a substitute crop by the appraisal per acre and total the results, (b) multiply the total acreage released and seeded to a substitute crop by the difference between the coverage per acre in this stage and the coverage per acre for the harvested stage, (c) divide the product in (b) by the predetermined price, (d) if item (a) exceeds item (c), the excess is the production to be counted.

Second Stage - Acreage Released on which the Sugar Beets are not Lifted and Topped and not Planted to a Substitute Crop - 75% of Coverage

The production to be counted for acreage in this stage shall be determined as follows: (a) multiply each acreage released and not seeded to a substitute crop by the appraisal per acre and total the results, (b) multiply the total

acreage released and seeded to a substitute crop by the difference between the coverage per acre in this stage and the coverage per acre for the harvested stage, (c) divide the product in (b) by the predetermined price, (d) if item (a) exceeds item (c), the excess is the production to be counted.

Third Stage - Acreage on which Sugar Beets are Lifted and Topped - 100% of Coverage

The production to be counted on this acreage is the actual production of sugar beets.

Subsection D. Appraisal of Unharvested Production

In the contract the Corporation has reserved the right to determine the amount of production on the basis of an appraisal of any unharvested crop. This provision should be used (1) on corn where advisable, (2) at the calendar date for the end of the insurance period and (3) under other special circumstances.

Subsection E. Production to be Counted When Damage is due to Cause(s) Not Insured Against

1. When an acreage is put to another use (including abandoned acreage) without the consent of the Corporation, the production to be counted shall be the larger of (a) the appraised production for such acreage or (b) a quantity of the commodity equal to the maximum coverage for such acreage divided by the predetermined price for the crop.
2. When the yield on an acreage has been reduced solely by cause(s) not insured against, the production to be counted shall be the larger of (a) the appraised loss of production for such acreage, or (b) a quantity of the commodity equal to the maximum coverage for such acreage divided by the predetermined price for the crop, minus the harvested production for the acreage.
3. Where the yield is reduced due partially to cause(s) not insured against and partially to cause(s) insured against, the loss of production for such acreage due to uninsured causes shall be determined by appraisal.

Subsection F. Production Eligible for an Adjustment for Quality

Adjustments for quality are to be made only in cases where the damage to the insured crop occurred during the insurance period and resulted from causes of loss insured against.

An adjustment for quality where applicable shall be made as follows where:

1. Any harvested production (and unharvested production where applicable) of austrian winter peas, barley, common ryegrass, field corn, flax, grain sorghums, oats, peanuts, Irish potatoes, rice, rye, soybeans, vetch, and wheat which will not meet the latest available requirements for a CCC loan or support because of poor quality and would not meet these requirements if properly handled. In these cases the damaged production shall be evaluated at a value per unit determined by the adjuster not to exceed the predetermined price for the crop.

Any production of cotton on which the quality is reduced to the extent that the value per pound as determined by the adjuster, is less than 75 percent of the predetermined price. In these cases the damaged production shall be adjusted downward to the number of pounds obtained by dividing the total value of such cotton by 75 percent of the predetermined price.

When an adjustment for quality is made (1) the number of units of damaged production, (2) the price per unit and value of such production as determined by the adjuster, and (3) a full explanation of how the value was determined, shall be entered in "Remarks" on the Inspection Report.

In establishing the value of damaged production, the adjuster shall consider all available markets within a reasonable distance from the insurance unit. Markets shall not be confined to gins, warehouses, elevators and grain terminals but shall include individual and commercial buyers, etc. If, however, the delivery point is beyond the distance the insured reasonably could be expected to make a delivery, the shipping charges should be deducted from the price in determining the value of the damaged production.

SECTION II. ADJUSTMENT OF CLAIMS

Subsection A. General

1. Responsibilities of the insured:

- a. If a loss is probable the insured is required to notify the county office immediately after any material damage to any insured crop during the growing season.
- b. The insured is required to give notice of damage or probable loss to the county office within 15 days after the completion of harvest of the last insured crop (except for tobacco, in which case notice of loss is required within 15 days after sale) if a loss has been sustained on the insurance unit. If this notice is not given within the time set forth above, the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can be determined best.
- c. If loss is claimed the insured shall submit Form 167, "Statement in Proof of Loss for Multiple Crops", (herein called "Form 67") within 60 days after the time of loss. With the following exceptions the 60-day period begins at the completion of harvest or removal from the field of the last insured crop.
 - (1) If any crop(s) remain unharvested at the calendar date for the end of the insurance period set forth in the rider to the policy, the 60-day period will begin at that time.
 - (2) If tobacco is insured and is sold later than the harvest of other crops, the 60-day period begins upon the sale of the tobacco or the calendar date for the end of the insurance period for tobacco, whichever is earlier.

- (3) If all the acreage on the insurance unit is destroyed or substantially destroyed and released prior to harvest, the 60-day period begins at the date of the last damage causing the release.

If a claim is submitted after the 60-day period, see Section IV of this procedure.

- d. The insured shall establish that the amount of any loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the insurance period, and that none of the claimed loss has arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

2. Responsibilities of the adjuster:

- a. In making each inspection in connection with a claim for loss, the adjuster shall determine the time of loss on the insurance unit as set forth in 1.c. above, and compare this date with the date the insured gave notice of loss at the county office, as shown on Form 8. If the notice of loss was not given within the time specified in 1.b. above, the case shall be handled as provided in Section IV hereof.

- b. The adjuster shall not release any acreage planted to an insured crop during the early growing season until he determines that:

- (1) The insured crop has been destroyed or substantially destroyed. The crop is not considered to be substantially destroyed unless it has been so badly damaged that farmers generally in the area where the farm is located and on whose farms similar damage occurred would not further care for the crop or harvest any part thereof; and

- (2) It is too late to replant. The question of when it is too late to replant shall be resolved by determining if producers generally in the area, particularly uninsured producers, are still planting or replanting. If this is the case and it is practicable to replant, the insured shall be advised that unless the acreage is replanted it will not be considered as insured acreage. The insured shall also be advised that no premium will be due and no loss will be payable on any acreage which is not insured acreage, and that any production from this acreage will not be considered in determining a loss if it is kept separate from production on insured acreage.

- c. The adjuster shall not complete a Form 67 until (1) he has established the identity of the acreage constituting the insurance unit and has inspected all fields or tracts in the unit, (2) he has verified the coverage and rate area(s) in which the acreage is located, (3) he has accurately determined the acreage planted to the insured crop on the unit and has established the insured's share in the crop, (4) he has verified to his satisfaction that all of the production for the unit has been reported, (5) he has made any necessary appraisals of production per acre, including appraisals for uninsured and avoidable causes of loss, and (6) he has determined all causes of loss and that the loss claimed is due to unavoidable causes which are insured against.

- d. The adjuster shall not approve a Form 67 covering a unit on which any acreage is released until he determines the use made of this acreage.
- e. The adjuster shall not approve a Form 67 if there is any possibility of harvesting any production from the unit, except where the loss is adjusted on the basis of an appraisal of unharvested crops on the unit.
- f. The adjuster shall prepare Form FCI-26, "Adjuster's Report" in connection with each Form 67 filed. The Form FCI-26 shall be attached to the related Form 67 when it is submitted to the state director.
- g. In any case where a timely notice of loss is filed by the insured, the adjuster shall not refuse to assist the insured in filing Form 67 even though the adjuster feels that the claim has no merit and cannot recommend approval of the claim.

Subsection B. General Instructions Applicable to Preparation of Form 67

- 1. A separate Form 67 shall be prepared for each unit on which a loss is claimed. If the insured elected to combine all insurance units into a combination unit, data for the entire combination unit shall be included on one Form 67.
- 2. Where the insured commingles production from two or more insurance units and fails to establish and maintain separate records of production for each unit which are satisfactory to the Corporation and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection C, page 11 of this Section.

Where production from uninsured acreage is commingled with production from insured acreage and the insured fails to establish and maintain separate records of production which are satisfactory to the Corporation, the production from the uninsured acreage will be considered to have been produced on the insured acreage and the loss adjusted in the usual manner.

However, if in either of the above cases the adjuster feels that insurance with respect to such units should be voided for the current crop year, he shall prepare Form 6 setting forth the facts which he feels justify this action and his recommendation. In such cases the adjuster should not sign Form 67. If the insurance for such units is voided, the insured still may be required to pay the current premium.

- 3. When a Form 67 is filed on the basis of appraisal of unharvested crops in the field, the insured shall be advised that the settlement will be considered final and a supplemental claim cannot be filed later on the basis of harvested production.
- 4. The insured and the adjuster certify only to the basic data appearing on Form 67, which include the measured acreages, the insured interest, the total harvested production, the appraisals of production, and the cause(s) of damage. Therefore, the adjuster shall complete Form 67 only to the extent provided hereinafter.
- 5. Where it appears that there will not be a loss on the unit, or where the insured requests information as to the approximate amount of indemnity he may expect to receive, the adjuster may perform the necessary computations

on a scratch pad, using the instructions on the inside of the front cover of the pad of Forms 67, and inform the insured of the approximate amount of his indemnity before any deduction for indebtedness. If there is no loss, the adjuster should explain to the insured why there is no loss.

6. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 67 will be mailed to him after the audit is completed.
7. In any case where a statement of facts is required Form 6 should be used to record the necessary information. In any case where more than one statement of facts is required, all such statements may be entered on the same Form 6 insofar as space permits.

Subsection C. Preparation of Form 67

1. The following important factors shall be kept in mind in preparing Form 67. In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller, disregard it.
2. Where applicable, the adjuster shall advise the insured of the following:
 - a. If the premium for the insurance unit computed on the basis of the measured acreage is less than the premium for the insurance unit as shown on the acreage report, the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly.
 - b. If the premium for the insurance unit computed on the basis of the measured acreage exceeds the premium for the insurance unit as shown on the acreage report, the loss which would otherwise be determined will be reduced proportionately.
3. Heading. These entries are self-explanatory. Except for a Form 67 filed by an assignee or transferee, the name of the insured should agree with the way it appears on the contract. If it does not agree Form 6 fully explaining the difference shall be attached to Form 67. If the claim is filed by an assignee or transferee it shall be so designated.
4. Parts I and II -- Basic Data and Computation of Loss. Except as otherwise provided below instructions for completion of the Statement in Proof of Loss are contained on the inside of the front cover of the pad containing Forms 67 and will not be repeated in this procedure.

The adjuster will fill in columns with solid lines (Cols. A, B, C, E, and I) before the insured has signed Form 67. The state director may require that the adjuster fill in the columns with dotted lines (Cols. D, F, G, H, J, and K), or these columns may be completed in the state office.

Acreage of Crops Planted for Harvest as Grain, Beans or Seed and used for Hay: Any such acreage which was not designated on the acreage report as being used for hay and the hay raised production for such acreage will both be included on Form 67.

Acreage Designated on the Acreage Report as Not being Planted for Grain, Beans or Seed and which is Harvested as Grain, Beans or Seed: Any such acreage shall not be included on Form 67 but the production from such acreage shall be included on Form 67.

Percent Coverage: (Col. G - Form 63, and Col. G - Form 67) The entry for "Percent Coverage" to be made in these columns shall be determined by the "Stage of Coverage" applicable to the acreage involved.

For all crops except cotton and sugar beets

1st stage	50 percent
2nd stage	100 percent

For cotton and sugar beets

1st stage	40 percent
2nd stage	75 percent
3rd stage	100 percent

Uninsured Cause(s) of Damage: Where any acreage is damaged by an uninsured cause of loss, data for the damaged acreage shall be entered on a separate line. If any part of the acreage damaged by uninsured cause(s) has been included in column C, the data for such acreage should not be entered in columns D through H. In such cases, columns I, J, and K shall be completed in the usual manner.

Insured Mixtures: Each crop in an insured mixture should be entered on a separate line in column A and all the crops in the insured mixture bracketed. In such cases only one line should be used in columns B, C, D, E, F, G, and H, but the crops in the insured mixture must be handled separately in columns I, J, and K, if the contract provides for counting harvested production separately. The names of all crops except the crop which determines the coverage applicable to the insured mixture should be encircled.

Where acreage is released during the growing season the appraisal shall be in units of the crop that determines the coverage for the mixture.

Adjustment for Quality: When an adjustment for quality is made (Except in the case of cotton) the total quantity of the damaged production shall be entered in column I of Form 67 and the value per unit as determined by the adjuster shall be entered in Column J. Where different values per unit apply to parts of the production of a crop, a separate line shall be used for the production having a different value per unit. For cotton enter the adjusted number of pounds as determined in Section I, subsection F, item 2, and the predetermined price. In cases where part of the cotton production was adjusted for quality, enter in parenthesis in columns B through H the total pounds of cotton before the adjustment and the average value per pound. Example (3500 # @ .1509) If all the cotton is eligible for an adjustment these entries will be made on an additional line.

Transfer of Interest Cases: Where there has been a transfer of interest on the insurance unit, the Corporation is not liable for a greater indemnity than would have been paid had the transfer not taken place.

a. Transfer of All or Part of the Insured Interest in All of the Insured Acreage and Crops on the Unit

Prepare a Form 67 for the transferee, and also one for the transferor where applicable, in the usual manner, except that the name of the insured and the insured interest shall be determined on the basis of the insured interest of the original insured and the information shown on any Forms 21.

b. Transfer of All or a Part of the Insured Interest in Some of the Insured Acreage and Crops

- (1) Prepare a Form 67 for the transferor if he retained an interest in the crop, and one for each transferee who had an interest in a crop(s) at the time of loss whether or not he is eligible to submit a claim. These forms shall be prepared in the usual manner except that the words "Transfer of Interest - data for a part of the insurance unit" shall be entered above the title. Where a Form 67 is prepared for the transferor, enter the acreage and interest not transferred. Where Form 67 is prepared for the transferee, enter the acreage and interest transferred to him. Where the transferee is not eligible to submit a claim (because of failure to file an acceptable Form 21) his signature should not be obtained.
- (2) Prepare a Form 67 covering the entire unit. The words "Transfer of Interest - data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part I and need not be signed.
- (3) All Forms 67 prepared for the parts of the unit as well as the one prepared for the entire unit shall be submitted together.

Commingled Production:

- a. Prepare a Form 67 in the usual manner for each unit where the insured commingles the production of any crop from two or more insurance units and fails to maintain separate records of production, satisfactory to the Corporation, for each insurance unit, except as follows:
- (1) Enter the words "Part of a combination - Commingled production" immediately above the title of each Form 67 listing data for an insurance unit.
 - (2) Complete only the "Heading" and columns A through H in Part I for each insurance unit.
- b. Prepare a Form 67 consolidating the data for all of the units and complete the form as if it were being prepared for a single unit, except as follows:
- (1) Enter the words "Master - Commingled Production" immediately above the title of the form.
 - (2) Enter the unit number of all insurance units involved in the space provided for insurance unit number.
 - (3) Enter in column I all of the commingled harvested production.

- (4) The adjustment factor, if any, will be determined in the regular manner except to enter in item 11 (a) the sum of the premiums computed on the acreage report for the units from which the production was commingled and in item 11 (b) the sum of the premiums recomputed for each applicable insurance unit on the basis of the gross coverage for the insured in column F of Form 67.

The settlement of loss claims in this manner in case of commingled production will not affect the number of insurance units and the premium for the contract will be the sum of the premiums for the insurance units involved.

Subsection D. Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

Subsection E. Cases where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree two Forms 67 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the state director with a complete statement of facts. If the insured does not file his Form 67 at that time, he shall be advised by the supervisor that such Form 67 must be filed not later than 60 days after the time of loss. Every effort should be made to handle these cases as promptly as possible.

Subsection F. Transmitting Forms 67 to the Director

The adjuster shall forward daily to the director all copies of all completed Forms 67. All copies of Form(s) 6 prepared as provided in this procedure shall be attached securely to the related Form 67.

SECTION III - INSTRUCTIONS PERTAINING TO CERTAIN CROPS

Beans (Dry Edible)

Michigan and New York: The production must be determined on the basis of sound whole beans after picking. After the milling-screening defects are removed, the percent of actual pick must be determined. If the percent pick cannot be determined for appraisals of production during the growing season, use 4 percent pick. Subtract the percent pick from 100 percent and multiply this figure by the weight of the threshed beans (after milling and screening defects are removed) to arrive at the production of beans to be counted.

Colorado and Wyoming: The production of sound whole beans must be determined on the basis of the grade. After the milling and screening defects are removed, the grade must be determined by sample. Where appraisals of production are made, such production will be counted on the basis of U. S. No. 2 grade. The production of sound whole beans to be counted shall be determined by multiplying the quantity of threshed beans (after milling and screening defects are removed) by the applicable factors in the following table.

	All Beans except Pinto	Pinto
U. S. No. 1	.98	.96
U. S. No. 2	.96	.94
U. S. No. 3	.94	.92

Where the beans are sample or sub-standard grade, the production of sound whole beans shall be determined as set forth above for Michigan.

Canning Peas

Applicable in Waupaca County: The production shall be expressed in tons (rounded to tenths of tons). Any production which is not harvested for processing must be determined by appraisal.

Applicable in Calumet and Fond du Lac Counties

The column for amount of production shall be left blank on the Form 63. (Col.I).

The contract provides that canning peas be valued at the fair market value which in most instances will be the gross returns due the farmer for his canning peas. Deductions for harvesting costs, fertilizer, and so forth will be disregarded in determining the gross returns.

In every case of loss adjustment it will be necessary for the loss adjuster to designate on the inspection report in the "Remarks" section the name of the canner with whom the insured has a contract and whether or not the contract is a seed-free contract. If the insured has a seed-free contract, the adjuster will add to the gross returns (a) an amount equal to 30% of those returns, plus (b) any bonuses, such as those for late planting, paid or owing to the insured, to arrive at the value of the production to be counted under the contract. Any contract which provides that the canner will cancel only a part of the cost of the seed peas will not be considered as a seed-free contract and the value of production in such cases will consist of (a) the gross returns received by the producer, plus (b) the amount of any bonuses. In the event an insured, through no fault of his own, is unable to harvest his peas as canning peas and they go to the dry pea stage, the fair market value will be the gross amount due the farmer for his dry peas. In the event these peas are not harvested, the adjuster is to make an appraisal of the amount of dry peas and place a valuation on these peas based on the dry pea price included in the insured's contract with the canner. If the insured has a contract with a canner whereby the canner does not agree to take the dry peas or does not stipulate a price which will be paid for dry peas, the adjuster will arrive at a value by using the highest price stated for dry peas in the contract of any other canning company operating in the county.

Corn

Report production of corn silage in tons of silage or in the equivalent number of bushels of corn in the silage, whichever unit is used in the county rider, to the policy for valuing production. Production for any insured acreage not harvested by the end of the insurance period shall be determined by appraisal.

Hay

Any acreage of hay which is turned under because of a customary rotation practice before a cutting has been made in that crop year will not be considered as insured acreage unless it has been substantially destroyed and released by the Corporation. Before considering acreage of hay as insured acreage, a determination must be made that there was a stand, on a date established for the beginning of the insurance period for the crop year, sufficient that farmers in the area generally would leave it for harvest.

Any production grown on insured hay acreage (including any production of volunteer or other uninsured hay crop) shall be counted as production of the insured hay crop.

The production to be counted for insured acreage shall be (1) all cuttings of the hay crop on the basis of actual production, and (2) the appraised production for any cuttings that are not made because the hay crop is used for seed or pasture or is turned under. In making appraisals of production for hay that is not cut, production on comparable fields in the area should be used as a guide. (See exceptions for Arkansas County, Arkansas, in county rider.)

Peanuts

Any production of peanuts planted for harvest as nuts and which are hogged off shall be determined by appraisal.

Where any acreage of peanuts planted to be hogged off and so designated on the acreage report is harvested for nuts, the production from such acreage is to be counted but such acreage is not insured acreage and is not to be included on the Form 67.

Potatoes

For potatoes to be insured there must be not less than one acre on the insurance unit. The insurance period ends upon digging.

Irish Potatoes: Production of Irish potatoes will be counted on a field run basis. All production which will meet the latest available requirements for a Commodity Credit Corporation loan or support will be valued at the predetermined price per hundredweight. Any production which will not meet these requirements will be valued at the highest price obtainable. If the potatoes have not been graded at the time the loss is adjusted, the adjuster shall determine, on a sample basis, the production which will not meet the latest available loan requirements and the value thereof. Any damage which occurs after digging will not be considered in determining a loss under the contract.

The production of any potatoes that are not dug by the end of the insurance period shall be determined by appraisal.

Sweet Potatoes: Production of sweet potatoes will be counted on a field run basis except that strings and jumbos (which are unmarketable) will not be counted. If strings and jumbos are removed from the field and have not been separated from the production at the time the loss is adjusted, the adjuster will determine on a sample basis the percent of potatoes which are strings and jumbos and which will not be counted.

The production of any potatoes that are not dug by the end of the insurance period shall be determined by appraisal.

Strawberries: For strawberries to be insured (1) there must be not less than two-tenths of an acre planted on an insurance unit, and (2) there must be a sufficient stand on the date specified in the rider to expect a normal crop to be produced and the strawberries must have been planted by the date specified (in the rider) of the prior year.

Production will be counted on a field run basis. Any production that is not harvested will be determined by appraisal.

Sugar Beets: Insurance attaches upon thinning.

Production of sugar beets will be counted on a field run basis. Any production of sugar beets which are not lifted and topped by the end of the insurance period shall be determined by appraisal. Abandonment payments and deficiency payments made under the Sugar Act will not be counted as production.

Sugarcane: For sugarcane to be insured there must be (1) not less than one acre (including sugarcane for seed) on the insurance unit, (2) not more than two previous crops have been harvested from that planting, and (3) a stand at the beginning of the insurance period for the crop year.

Production of sugarcane will be counted on the basis of standard tons of sugarcane except as provided below.

If the cane is processed for sugar the production will be shown in standard tons on the receipt issued by the processor. If a part of the production is delivered to a sugar mill and a part of the production is delivered to a syrup mill an average factor shall be determined on the basis of the cane delivered to the sugar mill to convert the straight tons delivered to the syrup mill to standard tons. If all of the production is delivered to a syrup mill, the production shall be counted on a straight ton basis. Sugarcane used for planting will be counted on the same basis as above.

Sweet Corn: The production shall be expressed in tons (rounded to tenths of tons) Any production which is not harvested for processing must be determined by appraisal.

Tobacco

Form 63: Two columns in Part II will be required for recording the production of tobacco. Enter in the heading of the first column the notation "Tobacco-(lbs.)". Enter in the heading of the second column the notation "Tobacco-(\$)". For each warehouse or buyer whose name is entered in the space provided, enter in the (lbs.) column the number of pounds of tobacco in the sale. Where tobacco is sold through a warehouse enter in the (\$) column the net returns from the sale. Where tobacco is sold other than through a warehouse enter in the (\$) column the larger of the net returns or the market value of the tobacco so sold, as determined by the adjuster.

For any tobacco harvested and not sold, enter in the (lbs.) column the number of pounds of such tobacco and enter on the corresponding line of the (\$) column the appraised value of such tobacco.

Form 67: Data for actual production of tobacco and for appraised production shall be entered on separate lines of Form 67 and identified in column 1.

For actual production the entry in column K will be the insured's share of the value of production as entered in the (\$) column of Form 63. No entry need be made in column J for such production.

For appraised production which is to be counted, as shown in Part I of Form 63, or under "Remarks", enter in column I of Form 67 the insured's share of such appraised production. Enter in column J the appraised value per pound which shall be the market price for that type of tobacco. Enter in column K the product of the entries in column H and column I.

Tomatoes

Production will be counted on a field run basis. Any production that is not harvested will be determined by appraisal. Production of tomatoes will include all tomatoes which are (1) to be sold on the fresh market or as "green wraps" (2) delivered to a processor.

Austrian Winter Peas, Hubam Clover, Ryegrass, and Vetch planted for Harvest as Seed

The production for any acreage which was planted for harvest as seed and which is cut for hay, or is pastured or is turned under shall be determined by appraising the production which would have been realized if the crop had been left for seed. Comparable fields in the area on which seed is harvested should be used as a guide in making such appraisals.

Lespedeza and Red Clover Planted for Harvest as Seed

Where an acreage is released by the Corporation and planted to a substitute crop appraised production shall be on a hay basis. Where the acreage is not planted to a substitute crop, the adjuster will determine the production either on a hay or seed basis, whichever results in the higher production.

SECTION IV. CORRECTED FORMS 67, DELAYED NOTICES OF LOSS OR FORMS 67

Subsection A. Corrected Forms 67

If after a Form 67 has been filed by the insured and submitted to the state director it is found that any of the basic data thereon is incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 67 (plainly marked "corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 67 shall not be approved by the adjuster.)

In addition, the adjuster shall prepare Form 6 fully explaining how the error occurred and including all facts pertinent to the case. The Form 6 shall be attached to the "corrected" Form 67 and transmitted promptly to the state director.

If after a Form 67 has been filed by the insured it is found that any of the basic data thereon is incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form 6 setting forth all pertinent facts regarding the case. This Form 6 shall be transmitted promptly to the state director. If the insured wished to file a "corrected" Form 67 in such cases, the adjuster shall not sign such form but shall attach

thereto the Form 6. The Form 67 originally filed by the insured shall be transmitted promptly to the state director in all cases, if such form has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 67 if the basic data on the original form are correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss

1. If the notice of damage was given more than 15 days after any material damage to the crop during the growing season or notice of loss was given more than 15 days after the completion of harvest (for tobacco more than 15 days after sale), but in sufficient time for a Form 67 to be filed within the 60-day period following the time of loss, the insured shall be informed of the requirement of the contract for giving notice within the 15-day period. The adjuster shall request the insured to submit along with the Form 67, if one is filed, a statement showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare Form 6 showing (a) the portion of the acreage on which the crop(s) could be inspected, (b) whether he was able to determine accurately the actual acreage, (c) the method used in determining the production, (d) whether he is entirely satisfied that all production was accounted for, (e) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (f) in what respects the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, and (g) any other facts which he considers pertinent to the case.
2. Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, he should act under existing instructions from the state director for such cases or request instructions from the state director as to whether he should make an inspection. Where it is not evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 67 to be filed within this period, the adjuster shall make the inspection, prepare Form 63 and obtain from the insured a written statement as to the reason for the delay in filing the notice of loss, and submit the case to the director for consideration without preparing a Form 67. However, if the insured insists upon filing a Form 67 in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing a Form 67, but the adjuster should not sign these Forms 67 indicating his approval.

Subsection C. Delayed Forms 67

The Regulations provide that the Form 67 shall be filed not later than 60 days after the time of loss, unless the time for filing the claim is extended in writing by the Corporation. This 60-day period will not be extended except

in the most meritorious cases. Where a Form 67 is submitted more than 60 days after the time of loss as set forth in Section II, subsection A, hereof, the adjuster shall request the insured to submit along with the Form 67 a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted.

In these cases, the adjuster shall submit a statement on Form 6 giving all the information requested in subsection B of this Section.

SECTION V. SETTLEMENT OF LOSS CLAIMS

The adjuster shall inform the insured that any claim for indemnity submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check of the Corporation payable to and mailed to the person(s) entitled to such payment under the Regulations.

SECTION VI. DISTRIBUTION OF FORMS

Distribution of forms shall be made as follows:

Form 63

The state office copy shall be forwarded to the state director.

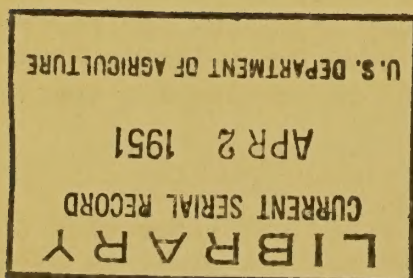
The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

Form 67

The adjuster shall forward all copies of Form 67, including the insured's copy, to the state director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium, as are indicated at the bottom of Form 67, are made on county office records of the insured's premium account.



CORN LOSS ADJUSTMENT MANUAL FOR 1951 AND SUCCEEDING CROP YEARS

Section I, subsection C, 2, (page 11) is hereby amended as follows:

2. Production to be counted in the case of damaged corn eligible for an adjustment for quality shall be determined as follows:
 - a. In the case of any acreage which has been harvested or is to be harvested, multiply the number of bushels of damaged corn from this acreage by the value per bushel as determined by the adjuster and divide the result obtained by the fixed price.
 - b. In the case of any acreage on which the damaged corn will not be harvested (a) multiply the number of bushels of damaged corn on this acreage by the value per bushel determined by the adjuster, and (b) multiply this acreage by the difference in coverage per acre between the second and third stages of production. If the amount obtained under (a) above is greater than the amount obtained under (b) deduct the amount obtained under (b) and divide the result by the fixed price. If the amount obtained under (a) above is equal to or less than the amount obtained under (b) there is no production to be counted on this acreage.
 - c. Add the production to be counted under items a. and b. above and enter the total thereof in column B, item 10, Form FCI-967-Corn.

When an adjustment for quality is made a full explanation of the determination, including (1) the number of bushels of damaged production, (2) the value of the production not to be counted in the case of unharvested corn, (3) the price per bushel and value of such production as determined by the adjuster, and (4) the production to be counted shall be entered in Part III of the Inspection Report.

NOTE: This procedure is applicable to both monetary and commodity insurance and supersedes the instructions for item 10(2), (Commodity Insurance) appearing on the reverse side of Form FCI-967-Corn.

